

670.0000 PRIVATE RAILROAD CAR TAX

670.0001 Assessment By Car Class. The Private Railroad Car Tax is assessed against car classes, not individual cars. If a class of car is owned on the lien date, it will be assessed on the basis of the presence of that class of car in the state during the calendar year prior to the lien date. Likewise, if a person does not own a car of a particular class on the lien date, that car class will not be assessed, regardless of the presence of cars of that class in the state during the preceding year. C 6/22/92; C 8/30/96.

670.0005 Depreciation of Car Betterments. Subdivision (g) of Revenue and Taxation Code section 11292 provides that betterments shall be valued on the basis of the remaining depreciable life of the car to which the betterment is applied. In applying this standard, the betterments should be included in the acquisition cost of the car regardless of when the betterment is placed on the car. In other words, the accumulated depreciation to be assigned to a betterment is that based on the age and total depreciable life of the railcar to which the betterment has been applied. C 3/14/96.

670.0015 Railcar Mark Usage. When a railcar leasing company has contracted to lease a railroad's reporting mark for flatcars for a three-year period, the flatcars are not considered part of the railroad operating property merely because they carry that railroad's Association of American Railroad (AAR) mark. If the flatcars were leased to the railroad and used in the railroad operations, however, they would be.

Assuming that the railcar leasing company is a non-railroad entity, the flatcars are assessed and taxed as private railroad cars if they are leased to a non-railroad entity. However, if the cars are leased to a railroad operating in California and used by that railroad in the operation, maintenance, construction, or reconstruction of its property, then they would be assessed and taxed as part of that railroad's operating property. C 2/26/98.

670.0020 Subsidiary Corporations. The fact that a corporate subsidiary owns and operates a repair facility that services railcars owned and operated by another corporate subsidiary is not sufficient basis for the Board to assess the subsidiary's repair facility property. The actual relationship between and the operations of each corporation must be reviewed to ascertain whether or not their separate identities should be recognized for purposes of assessment. C 1/16/87.

670.0022 Untimely Annual Report. A ten percent penal assessment for lack of timeliness is to be added to an assessment when a private railroad car company fails to make the required collective filing for its taxable holdings under a management company type organization on or before April 30 or such time as extended by the Board. Individual reports for each car owner do not constitute a valid filing. C 6/20/78.

670.0025 Untimely and Unsatisfactory Annual Report. Revenue and Taxation Code section 11273 requires imposition of a ten percent penal assessment for lack of timeliness, and section 11316 requires imposition of an additional ten percent penal assessment for an unsatisfactory report. Such are separate acts of malfeasance to which separate penal assessments apply. C 8/17/83.